

House Study Bill 659 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
ECONOMIC GROWTH/REBUILD
IOWA BILL BY CHAIRPERSON
GRASSLEY)

A BILL FOR

1 An Act establishing a lifelong learning accounts program in
2 the department of workforce development, creating an income
3 tax credit, and including effective date and retroactive
4 applicability provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. **84A.12 Lifelong learning accounts**
2 **program — tax credit.**

3 1. For purposes of this section, unless the context
4 otherwise requires:

5 *a. "Administrator"* means a nonprofit organization or other
6 business contracted with by the department to administer and
7 implement the lifelong learning accounts program.

8 *b. "Approved institution"* means an institution of higher
9 learning under the control of the state board of regents, a
10 community college established under chapter 260C, an accredited
11 private institution as defined in section 261.9, or other
12 entity providing career training and education in targeted
13 industries, which has been approved by the department for
14 participation in the program.

15 *c. "Department"* means the department of workforce
16 development.

17 *d. "Lifelong learning account"* means an account held on
18 behalf of an individual by a trustee, custodian, or fiduciary
19 approved by the department to be used for the deposit of
20 funds to pay for the individual's qualified expenses relating
21 to career training and education in targeted industries at
22 approved institutions.

23 *e. "Targeted industries"* means industries designated by
24 the department which the department, in consultation with the
25 workforce development board, the regional advisory boards, and
26 the economic development authority, finds most necessary to
27 promote growth in established regional economies in this state.

28 2. The department shall establish a lifelong learning
29 accounts program to encourage employed individuals to seek
30 further career training and education in targeted industries.
31 The program shall facilitate the establishment of lifelong
32 learning accounts in accordance with this section. The
33 department shall contract with an administrator to administer
34 and implement the program. The administrator shall be
35 qualified to carry out the requirements of this section, as

1 determined by the department.

2 3. The administrator, in consultation with the department,
3 shall provide education and career advising and other support
4 services available to individuals participating in the
5 program in accordance with the purpose of encouraging employed
6 individuals to seek further career training and education in
7 targeted industries.

8 4. *a.* An individual may establish a lifelong learning
9 account upon application to the department, approval by
10 the administrator, and entering into an agreement with the
11 department to comply with the requirements of this section.

12 *b.* An individual is allowed an income tax credit for the
13 individual's contributions to a lifelong learning account.
14 The amount of the credit shall not exceed the lesser of the
15 individual's total contributions to the lifelong learning
16 account during the tax year or five hundred dollars. Any
17 credit in excess of the individual's tax liability is
18 refundable.

19 5. The department shall by December 31 each year conduct
20 a regional skills gap analysis for the purpose of determining
21 targeted industries for the following year.

22 6. The department shall seek out additional local, state,
23 federal, and private resources to incorporate into the lifelong
24 learning accounts program to further the purpose of encouraging
25 employed individuals to seek further career training and
26 education in targeted industries.

27 7. The department shall submit a report to the governor and
28 the general assembly, annually by January 15, regarding the
29 lifelong learning accounts program, including recommendations
30 for improving the program to further the purpose of encouraging
31 employed individuals to seek further career training and
32 education in targeted industries.

33 8. The department, in consultation with the administrator
34 after the department has contracted with an administrator,
35 shall adopt rules necessary to carry out this section.

1 Sec. 2. NEW SECTION. **422.12A Lifelong learning account tax**
2 **credit.**

3 The taxes imposed by this division, less the credits allowed
4 under section 422.12, shall be reduced by a lifelong learning
5 account tax credit allowed under section 84A.12.

6 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
7 immediate importance, takes effect upon enactment.

8 Sec. 4. RETROACTIVE APPLICABILITY. The following provision
9 or provisions of this Act apply retroactively to January 1,
10 2012, for tax years beginning on or after that date:

11 1. The section of this Act enacting section 422.12A.

12 EXPLANATION

13 This bill directs the department of workforce development
14 to establish a lifelong learning accounts program to encourage
15 employed individuals to seek further career training and
16 education in targeted industries. The program shall facilitate
17 the establishment of lifelong learning accounts. A "lifelong
18 learning account" is defined as an account held on behalf of an
19 individual by a trustee, custodian, or fiduciary approved by
20 the department to be used for the deposit of funds to pay for
21 the individual's qualified expenses relating to career training
22 and education in targeted industries at approved institutions.
23 "Targeted industries" are defined as industries designated by
24 the department which the department, in consultation with the
25 workforce development board, the regional advisory boards, and
26 the economic development authority, finds most necessary to
27 promote growth in established regional economies in the state.
28 An "approved institution" is defined as a regents institution,
29 a community college, an accredited private institution, or
30 another entity providing career training and education in
31 targeted industries, which has been approved by the department
32 for participation in the program.

33 The bill directs the department to contract with a qualified
34 administrator to administer and implement the lifelong learning
35 accounts program. The bill directs the administrator, in

1 consultation with the department of workforce development,
2 to provide education and career advising and other support
3 services available to individuals participating in the program.
4 An "administrator" is defined as a nonprofit organization or
5 other business contracted with by the department to administer
6 and implement the lifelong learning accounts program.

7 The bill provides that an individual may establish a
8 lifelong learning account upon application to the department
9 of workforce development, approval by the administrator, and
10 entering into an agreement with the department to comply with
11 the requirements of the bill. An individual is allowed a
12 refundable income tax credit in an amount up to \$500 per tax
13 year for the individual's contributions to a lifelong learning
14 account.

15 The bill directs the department of workforce development
16 to conduct a regional skills gap analysis by December 31 each
17 year for the purpose of determining targeted industries for
18 the following year. The bill directs the department to seek
19 out additional local, state, federal, and private resources
20 to incorporate into the lifelong learning accounts program to
21 further the purpose of encouraging employed individuals to seek
22 further career training and education in targeted industries.
23 The bill directs the department to submit a report to the
24 governor and the general assembly, annually by January 15,
25 regarding the program, including recommendations for improving
26 the program to further the purpose of encouraging employed
27 individuals to seek further career training and education in
28 targeted industries. The bill directs the department, in
29 consultation with the administrator after the department has
30 contracted with an administrator, to adopt rules necessary to
31 carry out the bill.

32 The bill takes effect upon enactment and the income tax
33 credit applies retroactively to January 1, 2012, for tax years
34 beginning on or after that date.